

## STATE OF IDAHO DEPARTMENT OF INSURANCE

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## BULLETIN NO. 85-

TO: ALL INSURANCE COMPANIES WRITING PROPERTY AND CASUALTY

INSURANCE IN IDAHO

FROM: WAYNE L. SOWARD, DIRECTOR

DEPARTMENT OF INSURANCE

SUBJECT: CANCELLATION AND RATING OF COMMERCIAL PROPERTY AND

CASUALTY INSURANCE POLICIES

DATE: MARCH 26, 1985

Effective immediately, the following guidelines should be implemented by companies on cancellation and rating of commercial property and casualty insurance policies:

- Mid-term cancellations are appropriate only on an individual risk basis.
- 2. When a risk or policy produces an unacceptably high loss ratio, insurers should consult the agent to work out a satisfactory solution. Mid-term rate changes, withdrawal of rate credits, or cancellations, would be appropriate if warranted by conditions pertaining to a particular risk.
- 3. In the absence of conditions justifying mid-term action as indicated above, companies are urged to allow policies to continue to normal expiration or anniversary date.
- 4. Unjustified mid-term action by companies will be reviewed by the Department as an <u>UNFAIR TRADE PRACTICE</u> and administrative action will be taken as required.

DEPARTMENT OF INSURANCE

WAYNE L. SOWARD

Director